

Message Text

UNCLASSIFIED

PAGE 01 STOCKH 03459 01 OF 02 070739Z
ACTION EUR-12

INFO OCT-01 EA-12 ISO-00 CIAE-00 DODE-00 PM-05 H-02
INR-10 L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15
ICA-20 HA-05 IO-14 ACDA-12 /120 W
-----129180 070748Z /13

R 061457Z SEP 78
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 4640
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY HELSINKI
AMCONSUL HONG KONG
AMEMBASSY LONDON
AMEMBASSY MOSCOW
USMISSION USNATO
AMEMBASSY OSLO
USLO PEKING
AMEMBASSY REYKJAVIK

UNCLAS SECTION 1 OF 2 STOCKHOLM 3459

E.O. 11652: N/A
TAGS: PEPR, MASS, MPOL, SW, CH
SUBJ: ARTICLE ON CHINESE INTEREST IN SWEDISH ARMS PROCUREMENT

1. THE SEPTEMBER 7 EDITION OF VECKANS AFFARER (THIS WEEK'S BUSINESS) CARRIES AN ARTICLE ON PRC INTEREST IN ACQUIRING A VARIETY OF SWEDISH ARMS, INCLUDING DESTROYERS AND THE VIGGEN AIRCRAFT, AND THE POSSIBLE POLITICAL DILEMMA GOS FACES IN REACTING TO CHINESE OVERTURES. STOCKHOLM PRESS HAS BEGUN TO COMMENT ON SUBSTANCE OF ARTICLE BUT THERE IS YET NO OFFICIAL RESPONSE FROM GOVERNMENT CIRCLES EXCEPT STATEMENT FROM FM KARIN SODER THAT GOS DOES NOT REACH DECISION ON SUCH EXPORTS UNTIL A SPECIFIC CASE IS PUT FORTH "AND THAT HAS NOT YET OCCURRED IN CHINA'S CASE". EMBASSY TRANSLATION OF FULL TEXT OF ARTICLE FOLLOWS:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STOCKH 03459 01 OF 02 070739Z

2. BEGIN TEXT: VECKANS AFFARER, SEPTEMBER 7, 1978.
BETWEEN THE DIVIL AND THE DEEP BLUE SEA: CHINA HAS LET IT BE KNOWN TO SWEDEN THAT SHE WOULD LIKE TO MAKE LARGE PURCHASES OF SWEDISH WEAPONS. NEVER BEFORE HAS SWEDEN BEEN CONFRONTED WITH SUCH A DELICATE UNIVERSAL POLITICAL DILEMMA. AND THERE IS NO WAY OUT, FOR WHATEVER DECISION SWEDEN MAKES,

THIS WILL BE INTERPRETED AS PROVOCATIVE AND WILL LEAD TO A
DETERIORATION IN RELATIONS EITHER WITH CHINA OR THE SOVIET UNION.

CHINA APPROACHES SWEDISH GOVERNMENT--WISHES TO BUY WEAPONS
(VIGGENS AND DESTROYERS) FROM SWEDEN. CHINA WISHES TO BUY
WEAPONS FROM SWEDEN. THE ADVENT OF A DEFINITE CHINESE INTEREST
IN SWEDISH DEFENSE MATERIAL WAS A VISIT TO THIS COUNTRY
JUNE 10-22 THIS YEAR BY A CHINESE MILITARY DELEGATION. THIS
COMPRISED 14 PEOPLE, SENIOR MILITARY AND DEFENSE POLICY
OFFICIALS, AND WAS LED BY GENERAL CHANG AL-PING, DEPUTY
CHIEF OF THE CHINESE MILITARY STAFF.

AS A RESULT OF THIS VISIT, PEKING HAS NOW MADE A DIRECT
EXPLORATORY APPROACH TO THE SWEDISH GOVERNMENT CONCERNING THE
PURCHASE OF SWEDISH WAR MATERIAL. AS VECKANS AFFARER UNDER-
STANDS IT, THE CHINESE DO NOT EXCLUDE THE POSSIBILITY OF THE
PROLONGATION OF SUCH A CONTRACT WHICH WOULD BE MORE OR LESS
IN THE NATURE OF A CONTINUOUS DEFENSE MATERIAL AGREEMENT
BETWEEN CHINA AND SWEDEN.

CHINA'S INQUIRIES HAVE BEEN CONFIRMED BY THE SWEDISH FOREIGN
MINISTRY, BUT AT THE MOMENT THE SWEDISH GOVERNMENT IS PURSUING
A WAIT-AND-SEE POLICY.

FOREIGN MINISTER KARIN SODER TO VECKANS AFFARER:
THE GOVERNMENT DECIDES UPON DEFENSE MATERIEL EXPORTS IN ACCORD-
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STOCKH 03459 01 OF 02 070739Z

ANCE WITH THE PRINCIPLE PRESCRIBED BY PARLIAMENT. AS A MATTER
OF PRINCIPLE THE GOVERNMENT DOES NOT REACH A DECISION HERE
UNTIL A DEFINITE ISSUE ARISES. AND THAT HAS NOT YET OCCURRED
IN CHINA'S CASE.

CHINA IS NOW IN THE PROCESS OF RE-EQUIPPING AND MODERNIZING
HER OBSOLESCEANT DEFENSE ORGANIZATION. THE NATION NEEDS A WIDE
RANGE OF MATERIAL EMBRACING AN AIR DEFENSE SYSTEM WITH AIRCRAFT
AND MISSILES, A NAVAL SYSTEM WITH SHIPS AND MINES, AND ARMY
WEAPONS AND A TRANSPORT SYSTEM INCLUDING GRENADE GUNS, FIELD
ARTILLERY AND TRACKED VEHICLES.

RE-EQUIPPING THE ARMED FORCES IS VERY HIGH ON THE PRIORITY
LIST, TIME-WISE AS WELL. DURING ITS VISIT THE MILITARY
DELEGATION SHOWED GREAT INTEREST IN SWEDISH DESTROYERS--ALL
FITTED WITH MODERN WEAPONS AND READY FOR ACTION--WHICH ARE TO
BE WITHDRAWN FROM THE SWEDISH NAVY. THE DELEGATION HAD TALKS
WITH THE SWEDISH NAVAL COMMAND.

PRINCIPALLY ON ACCOUNT OF THE POOR STATE OF SINO-SOVIET
RELATIONS, THE CHINESE WISH TO BUY SWEDISH WEAPONS HAS CON-
FRONTED SWEDEN WITH ONE OF HER MOST DELICATE EXPORT PROBLEMS

SINCE WORLD WAR II. AT THE SAME TIME THE SOVIETS HAVE MADE IT QUITE CLEAR TO THE REST OF THE WORLD THAT THEY RESENT ANY OUTSIDE AID IN ASSISTING CHINA TO MODERNIZE HER ARMED FORCES, CHINA HAS LET IT BE KNOWN THAT SHE WILL NOT PASSIVELY ACCEPT ANOTHER NATION'S "NO" TO MILITARY-TECHNICAL COOPERATION, IF THIS "NO" IS MOTIVATED BY THE SOVIET ATTITUDE.

CHINA HAS NOW EMBARKED UPON A "WEAPONS PURCHASING DIPLOMACY" WITH ARMS-PRODUCING EUROPEAN NATIONS AND THE USA.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 STOCKH 03459 02 OF 02 070741Z
ACTION EUR-12

INFO OCT-01 EA-12 ISO-00 CIAE-00 DODE-00 PM-05 H-02
INR-10 L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15
ICA-20 IO-14 ACDA-12 /115 W
-----129185 070801Z /13

R 061457Z SEP 78
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 4641
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY HELSINKI
AMCONSUL HONG KONG
AMEMBASSY LONDON
AMEMBASSY MOSCOW
USMISSION USNATO
AMEMBASSY OSLO
USLO PEKING
AMEMBASSY REYKJAVIK

UNCLAS SECTION 2 OF 2 STOCKHOLM 3459

THUS, EVIDENTLY, SWEDEN WOULD NOT BE CHINA'S ONLY WEAPONS SUPPLIER IN THE WEST. OTHER LIKELY COUNTRIES INCLUDE BRITIAN, FRANCE AND WEST GERMANY. BUT AT THE SAME TIME, CHINA HAS MADE IT CLEAR THAT SHE HAS A COMPARATIVELY MAJOR INTEREST IN SWEDEN, PRIMARILY BECAUSE:

(A) CHINA WISHES TO SPREAD OUT HER RISKS AND PREFERS TO HAVE AT LEAST ONE SUPPLIER BEYOND THE MAJOR POWERS' SPHERES OF INTEREST.

(B) SHE RECOGNIZES THE SIGNIFICANCE OF THE SWEDISH "SELF-DEFENSE WEAPON PHILOSOPHY", I.E. ARMS WHICH CANNOT BE CON-

DEMNNED AS INSTRUMENTS OF INTIMIDATION AND AGGRESSION.

THE CHINESE HAVE NOT ACTUALLY SPECIFIED THEIR WISHES FOR
THE SWEDISH GOVERNMENT, BUT WE DO KNOW THAT ONE OF CHINA'S
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STOCKH 03459 02 OF 02 070741Z

PRIMARY INTERESTS IS THE BUILDING UP OF HER AIR FORCE AND
THE CHINESE MILITARY DELEGATION EXHIBITED GREAT INTEREST IN
THE VIGGEN DURING ITS VISIT HERE.

THROUGH INFORMAL CONTACTS THE CHINESE HAVE INDICATED THAT,
IN PRINCIPLE, CHINA OUGHT TO BE ELIGIBLE FOR THE PURCHASE OF
THE VIGGEN, INASMUCH AS THE SWEDISH GOVERNMENT HAS ALREADY
SAID "YES" TO INDIA.

THIS LATTER DEAL WAS STOPPED BY PRESIDENT CARTER, MEAN-
WHILE, WHO POINTED OUT THAT THIS THE VIGGEN HAS A US ENGINE
AND THAT THE SALE OF THIS PLANE TO INDIA WOULD NOT BE IN THE
BEST INTERESTS OF THE USA. BUT TIS SITUATION NEED NOT ARISE
IN THE CASE OF CHINA. CHINA HAS BROUGHT BRITISH TRIDENT AIR-
CRAFT AND, IN CONNECTION WITH THIS, SECURED LICENCE MANUFACTURING
RIGHTS FOR ROLLS ROYCE ENGINES. BASICALLY THIS SAME ENGINE IS
USED IN THE BRITISH VERSION OF THE US PHANTOM MACHINE. IN OTHER
WORDS, CHINA HAS THE CAPACITY TO MAKE HER OWN JET ENGINES FOR
MILITARY USE.

IN (SWEDISH) DIPLOMATIC CIRCLES IT IS BELIEVED THAT THE
CHINESE INTEREST IN STRENGTHENING RELATIONS WITH SWEDEN
INTER ALIA THROUGH SUCH MEANS AS DEFENSE MATERIEL DISCUSSIONS,
IS ONE OF THE REASONS BEHIND FOREIGN MINISTER HUANG HUA'S
RECENT UNEXPECTED MOVE IN BELGRADE WHEN HE ANNOUNCED (AUGUST
24) THAT NEXT YEAR CHINA'S HEAD OF STATE HUA KUO-FENG WOULD
RETURN TO EUROPE AND WOULD THEN LIKE TO VISIT SWEDEN AMONG
OTHER PLACES.

IN SWEDEN, CHINA'S EXPLORATORY APPROACHES HAVE BEEN KEPT
EXTREMELY SECRET. THE VISIT IN JUNE OF THE MILITARY DELEGATION
ALONG WAS A DELICATE MATTER. ONLY A FEW HOURS BEFORE THEY WERE
VISIT BY THE CHINESE, SAAB, BOFORS AND THE DEFENSE MATERIEL
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STOCKH 03459 02 OF 02 070741Z

DEPARTMENT WERE OFFICIALLY INSTRUCTED BY TELEPHONE TO SHOW
THE DELEGATION EVERYTHING THEY HAD, BUT TO AVOID ANY DEFINITE
BUSINESS DISCUSSIONS.

BUT THE SWEDISH GOVERNMENT IS HARDLY LIKELY TO BE ABLE

TO AVOID COMMITTING ITSELF BEYOND OCTOBER 7 FOR THEN TWO
SWEDISH DELEGATIONS WILL VISIT CHINA SIMULTANEOUSLY: AN
INDUSTRIAL DELEGATION, INCLUDING CURT NICOLIN AND HANS STAHLE,
AND A GOVERNMENT DELEGATION LED BY INDUSTRY MINISTER NILS
ASLING. THESE DELEGATIONS WILL DISCUSS A COOPERATION AGREE-
MENT ON TECHNOLOGY, SCIENCE AND INDUSTRY. HERE, ANY OBSCURITY
RESPECTING SWEDEN'S ATTITUDE TO DEFENSE MATERIAL ISSUES
WOULD BE VIEWED VERY NEGATIVELY. END TEXT.

3. EMBASSY COMMENTS TO FOLLOW SEPTTEL.
KENNEDY-MINOTT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARMS, PROCUREMENT, PRESS COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STOCKH03459
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780364-0145
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780996/aaaadbnd.tel
Line Count: 235
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b963fa56-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1526416
Secure: OPEN
Status: NATIVE
Subject: ARTICLE ON CHINESE INTEREST IN SWEDISH ARMS PROCUREMENT
TAGS: PEPR, MASS, MPOL, SW, CH
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b963fa56-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014